

REMARKS/ARGUMENTS

Reconsideration of this application is respectfully requested in view of the foregoing amendments and the discussion presented herein.

1. Introduction.

After careful consideration of the Office Action, the Applicant believes that the claims could be placed in a form for immediate allowance by addressing a single point of contention in the Office Action; namely, the language relating to the escrow account upon which the agent-based incentives are processed. Therefore, the Applicant has amended the independent claims in the application to more clearly recite this aspect of the invention. The Applicant respectfully requests that the Examiner reconsider patentability of the pending claims in view of the amendments herein.

For example in Claim 1, the escrow account portion of the claim is now described as: *"...an escrow account associated with the transaction privacy clearing house account and configured for accumulating incentive-based remuneration in the form of cash or non-cash value-units as received from vendors in response to receiving and dispersing forms of remuneration associated with authorized transactions."*

The language above more accurately represents the incentive-based nature of an embodiment of the invention as heralded by the title of the invention, and fits in with the more refined descriptions found in the dependent claims, such as in Claims 6-10, and others, which provide more details of incentive-based remuneration. The other independent claims have been very similarly amended.

The amendments have been made to the instant application to expedite prosecution, although the Applicant does not concur with the basis for the prior rejections. The Applicant still holds that the current rejection does not address the problems with combining those references or the lack of teaching, suggestion, or motivation for attempting that combination. In addition, specific claim limitations of numerous claims (e.g., Claims 6, 7, 8) were not addressed in either of the previous Office Actions. The new amendment provides clear patentable distinctiveness beyond

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what is purported in the combination according to the rejection of the prior office action.

2. Rejection of Claims 1-8, 11-20 and 23 Under 35 U.S.C. § 103.

Claims 1-8, 11-20 and 23 were rejected under 35 U.S.C. § 103 as being unpatentable in view of the combined teachings of Johnson (U.S. No. 6,529,885) and Porterfield et al. (U.S. No. 5,878,235). Of those claims, Claims 1, 11 and 15 are independent.

(a) Claims 1, 11 and 15.

These claims were rejected on the basis of the combination of "device identifiers" of Porterfield '235 with the transaction system of Johnson '885. In view of the amendment of the independent claims, however, it should be recognized that both Johnson '885 and Porterfield '235 are silent with regard to performing any handling or processing of incentives, as noted in the Office Action where the Examiner states "It is to be noted that Johnson and Porterfield fail to explicitly disclose an incentive unit or coupon, digital currency". Since amended independent Claims 1, 11 and 15 now recite aspects of incentive processing, they are not rendered obvious by the combined teachings of Johnson '885 and Porterfield '235.

Incentive processing is an integral part of the escrow account (i.e. see FIG. 2 block 42, and all of FIG. 3 and FIG. 4, etc.) according to at least one embodiment of Applicant's invention, and the language of the amended independent claims now expressly recites aspects of this incentive processing. The subject of the incentive processing was previously brought out as part of dependent Claims 6-10, and a rejection of Claims 9-10 was directed at the incentive processing.

Therefore, the Applicant will further address amended Claims 1, 11 and 15 in view of a potential combination of Johnson '885, Porterfield '235 and Biffar (U.S. Patent No. 6,047,269) following the logic of the support provided for the rejection for dependent Claims 9-10.

In considering a combination with Biffar '269, it can be readily seen that the reference does not provide the necessary support for rejecting amended independent

Claims 1, 11 and 15 because the reference does not disclose accumulating incentives within a transaction system in response to authorized transactions.

Biffar '269 discloses a mechanism for handling and processing vouchers between payment systems. The primary enhancement taught by Biffar '269 is the logging of historical information in response to the creation, movement and use of the vouchers (see Abstract describing the digital vouchers of Biffar). Although Biffar '269 is primarily directed at facilitating cash transactions, it does briefly mention handling of loyalty programs as one form of value that can be passed using the vouchers.

However, the system of Biffar '269 teaches only the handling of vouchers, which *could* represent an incentive from a loyalty program, but the reference *does not describe* generating the incentives or gaining access to a user to supply such a voucher for an incentive. It should be appreciated that when the user is anonymous, the vendor cannot access the user asynchronously (separately) from a user transaction, and incentives contained in vouchers cannot be directed to the user.

It will be appreciated that amended Claims 1, 11 and 15 disclose an embodiment of the invention in which the incentive is provided in response to a transaction authored by the user. Each incentive thus received is accumulated allowing the user to make use of their cash or non-cash value at a later time.

In Claim 1 this language is given as "accumulating incentive-based remuneration in the form of cash or non-cash value-units as received from vendors in response to receiving and dispersing forms of remuneration associated with authorized transactions".

In Claim 11 the language is "wherein said escrow account is configured for accumulating incentive-based remuneration in the form of cash or non-cash value-units in response to user authorized transactions".

In Claim 15 the language is "wherein incentive-based remuneration is accumulating in the form of cash or non-cash value-units in response to user authorized transactions". It will be appreciated that each independent claim thus describes the

relationship between the transaction and the receipt of an incentive associated with the transaction.

By way of example, the relationship between the incentive and user authorized transaction is described in one preferred embodiment in which incentive-based remuneration can be generated by vendors in response to each transaction ID received. This is disclosed in the specification, such as at page 8, lines 27-29 where the Applicant states: *"FIG. 3 exemplifies the processing of incentives within the present invention. Upon commencing processing at block 100, an incentive for a given transaction ID is received at block 102."* and at page 3, lines 19-21 where the Applicant states: *"By way of example and not of limitation, incentives through post-sales activities can provide cash back from an electronic escrow account based on incentive purchase goals being met."*

It is thus apparent that the limitations of the independent claims are not taught when considering the three-way combination of Johnson, Porterfield and Biffar. Furthermore, looking more closely at such a proposed combination, it appears that the elements may be impossible to combine, and specific teachings, suggestions or motivation are lacking for establishing this combination.

Accordingly, even the three-way combination of references does not support the rejection of independent Claims 1, 11 and 15 the combination does not address the relationship between incentives and user authorized transactions.

(b) Claims 2, 3, 4 and 22.

Claims 2, 3, 4 and 22 depend from independent Claims 1 and 15 respectively, whose patentability has been demonstrated, therefore these claims should be considered *a fortiori* allowable.

Therefore, the combination of Johnson '885 and Porterfield '235 does not satisfy all of the elements of these claims, and even the combination of Johnson '885, Porterfield '235 as well as Biffar '269 does not satisfy the elements of the amended independent claims. Consequently, the rejection of Claims 1, 11 and 15, and those

which depend therefrom, should be withdrawn.

3. Rejection of Claims 9, 10 and 21 Under 35 U.S.C. § 103.

Claims 9, 10 and 21 were rejected under 35 U.S.C. § 103 as being unpatentable in view of the combined teachings of Johnson (U.S. No. 6,529,885), Porterfield et al. (U.S. No. 5,878,235) and Biffar et al. (U.S. No. 6,047,269).

(a) Claims 9 and 10.

Claims 9 and 10 depend from dependent Claims 6 and 8, which in turn depend from amended independent Claim 1 whose patentability has been demonstrated above. Accordingly, Claims 9-10 should be considered *a fortiori* allowable.

It should also be recognized that Claims 9 and 10 depend from Claim 6, which discloses that the incentive processing is performed for "a user whose device identifier is provided" wherein the incentive "is credited to an account of the user"; the incentives according to amended independent Claim 1 are received in "response to ...an authorized transaction". It should be noted that the transactions are authorized on behalf of the user as described in section (b) of Claim 1.

Biffar '269 teaches the processing of vouchers, but as mentioned previously, does not disclose generating incentives responsive to user transactions. Biffar '269 teaches digital vouchers, but does not teach a system of controlling the dissemination and collection of incentives as provided within embodiments of Applicant's invention. Claim 6 further refines the description of Claim 1 describing how the incentive is directed for a user "whose device identifier is provided" and is "credited to an account of the user".

Dependent Claim 9 extends the teachings of Claims 1, 6 and 8 by specifically describing the ability of the system to "accept non-currency offers in accord with user selected criterion". Referring to page 7, lines 29-31 of the Applicant's specification, the Applicant states: "Incentive parameters 42 are a set of user choices for determining which incentives are to be accepted and further for electing preferential forms of incentives." Although Biffar '269 describes how the voucher can represent a non-cash

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items such as frequent flier miles, it does not teach a mechanism providing user control of which incentive remuneration is to be accepted; this is not surprising because Biffar '269 does not describe an "*agent-based incentive method and system for customer retention*" as taught in the instant application. Consequently, since this limitation of Claim 9 is not found in any of the combination of references, Claim 9 is not obvious in view of the cited references.

Dependent Claim 10 extends the teachings of Claims 1 and 6 by specifically describing forms of remuneration which can be exchanged. It will be appreciated that since the non-obviousness of the claims from which Claim 10 depends has been shown, Claim 10 should thus be considered *a fortiori* allowable.

(b) Claim 21.

Claim 21 depends from dependent Claim 18 which in turn depends from amended independent Claim 15 whose patentability has been demonstrated above, accordingly this claim should be considered *a fortiori* allowable.

In view for the above, the Applicant respectfully submits that Claims 1, 11 and 15, as well as the claims that depend therefrom are patentable.

4. Amendment of Claims 1, 9-11, 14-15, and 21.

Claims 1, 11 and 15. These independent claims have been amended to include more particularity with regard to the incentive-based attributes of the escrow account. In Claim 1, the phrase "accumulating incentive-based remuneration in the form of cash or non-cash value-units as received from vendors in response to" was added to describe the incentive nature of the escrow account in the present invention. Claims 11 and 15 were also amended with very similar wording. These claims were amended to expedite allowance of the Application. Applicant reserves the right to pursue the original scope of these claims at a future time.

Support for the wording of the amendment is found in the dependent claims of the application, such as Claims 6-10, as well as in the specification, as follows:

Page 8, line 11-12: "The escrow account is capable of receiving incentives from

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vendors and storing them for later use.”

Page 8, lines 27-29: “FIG. 3 exemplifies the processing of incentives within the present invention. Upon commencing processing at block 100, an incentive for a given transaction ID is received at block 102.”

Page 3, lines 19-21: “By way of example and not of limitation, incentives through post-sales activities can provide cash back from an electronic escrow account based on incentive purchase goals being met.”

Claims 10 and 21. These dependent claims were amended to include “rebates” as one of the incentives processes. See page 9, line 15 of the specification for support.

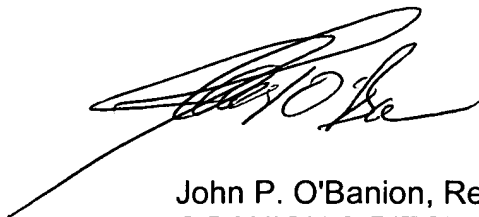
Claim 9 and 14. These dependent claims were amended to remove the phrase “such as for specific products or services” and “such as frequent flyer programs”, respectively, which may be considered indefinite.

5. Conclusion.

In view of the above, each of the presently pending claims in this application is believed to be in immediate condition for allowance. Accordingly, the Examiner is respectfully requested to withdraw the outstanding rejection of the claims and to pass this application to issue.

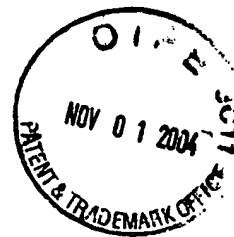
Date: 11/1/04

Respectfully submitted,



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CERTIFICATION UNDER 37 CFR 1.10



I hereby certify that the foregoing:

Amendment

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